



[Docket No. FR-7077-N-02]

## Privacy Act of 1974; System of Records Modification

**AGENCY:** Office of Administration, HUD.

**ACTION:** Notice of a modified system of records.

**SUMMARY:** HUD's Debt Collection and Asset Management System, which consist of two sister systems Title I and Generic Debt, is operated to collect and maintain data needed to support activities related to the Department's collection of delinquent debt obligations. Pursuant to the provisions of the Privacy Act of 1974, as amended, the Department of Housing and Urban Development (HUD) is issuing a public notice of its intent to modify a system of records entitled "Debt Collection and Asset Management System - Title I/Generic Debt". This system of records is being revised to make clarifying changes within: System Location, Security Classification, System Manager, Authority for Maintenance of the System, Purpose of the System, Categories of Individuals Covered by the System, Categories of Records in the System, Records Source Categories, Routine Uses of Records Maintained in the System, Retrieval of Records, Retention and Deposal of Records. The SORN modifications are outlined in the SORN "Supplementary Information" section.

**DATES:** Comments will be accepted on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. This proposed new routine use actions will be effective on the date following the end of the comment period unless comments are received which result in a contrary determination.

**ADDRESSES:** You may submit comments, identified by docket number by one method:

**Federal e-Rulemaking Portal:** <https://www.regulations.gov>. Follow the instructions provided on that site to submit comments electronically.

**Fax:** 202-619-8365.

**Email:** [www.privacy@hud.gov](mailto:www.privacy@hud.gov).

**Mail:** Attention: Privacy Office; LaDonne White, Chief Privacy Officer; The Executive Secretariat; 451 Seventh Street, SW, Room 10139; Washington, DC 20410-0001.

**Instructions:** All submissions received must include the agency name and docket number for this rulemaking. All comments received will be posted without change to <https://www.regulations.gov> including any personal information provided.

**Docket:** For access to the docket to read background documents or comments received go to <https://www.regulations.gov>.

**FOR FURTHER INFORMATION CONTACT:** LaDonne White 451 Seventh Street, SW, Room 10139; Washington, DC 20410; telephone number 202-708-3054 (this is not a toll-free number). HUD welcomes and is prepared to receive calls from individuals who are deaf or hard of hearing, as well as individuals with speech or communication disabilities. To learn more about how to make an accessible telephone call, please visit <https://www.fcc.gov/consumers/guides/telecommunications-relay-service-trs>.

**SUPPLEMENTARY INFORMATION:** HUD, Albany Financial Operations Center maintains the “Debt Collection and Asset Management System - Title I/Generic Debt” system. HUD is publishing this revised notice to establish a new and modified routine use and to reflect updated information in the sections being revised. The modification of the system of records will have no undue impact on the privacy of individuals covered and updates made are explained below. The following are updates since the previous SORN publication:

Security Classification: Added systems of record classification status.

System Location: Replaced former data center and HUD locations with new locations in Virginia, Mississippi, and Washington.

System Manager: Identified new system manager expected to operate this system of records.

Authority for Maintenance of the System: Updated with existing authorities that permit the maintenance of the systems records. Statutes and regulations are listed below.

Categories of Individuals Covered by the System: Reorganized this section to group and clarify individuals according to their system coverage.

Categories of Records in the System: Updated this section to clarify the individuals whose personal identifiable information is collected.

Records Source Categories: Updated to cover all electronic and manual record sources for internal and external systems to HUD.

Routine Use of Records: Updated to cover routine uses that are new, modified, or removed.

*New Routine Uses:*

Routine Use (1) added to cover disclosures made to National Archives and Records

Administration, Office of Government Information Services, to review administrative agency policies, procedures, and compliance with FOIA and to mediate the resolution of resolution of dispute between persons making FOIA requests and administrative agencies;

Routine Use (2) added to cover disclosures made to a congressional office from the record of an individual, in response to an inquiry from the congressional office made at the request

of that individual; Routine Use (4) added to cover disclosures made to Federal agencies, non-Federal entities, their employees, and agents (including contractors, their agents, or employees) for the purpose detecting and preventing improper payments and fraud, waste,

and abuse in Federal programs by providing information necessary for the verification of prepayment and pre-award requirements.; Routine Use (5) added to cover disclosures made

to contractors, grantees, experts, consultants, Federal agencies, and non-Federal entities

performing research and statistical analyses of HUD programs; Routine Use (6) added to

cover disclosures made to contractors, grantees, experts, consultants and their agents, or others performing or working under a contract or other agreement when necessary to

accomplish a HUD mission function supported by a system of records; Routine Use (10),

add to test information technology uses with authorized recipient agencies to assist in

addressing enhancements for program information technology and services; Routine Uses

(11) and (12) added to cover disclosures made to agencies, entities, and persons to assist HUD in responding to suspected or confirmed breaches of the system of records or to other Federal agencies when HUD determines that information from the system of records is needed to assist to the agency in responding to a suspected or confirmed breach; and Routine Uses (13) and (14) added to cover disclosures made to a court, magistrate, administrative tribunal, or arbitrator while presenting evidence in civil or criminal proceedings and to appropriate Federal, State, local, tribal, or other governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a criminal or civil statute, rule, regulation, order, or license.

#### *Updated Routine Use*

Routine Use (7) and (8) updated to explain each disclosure type, Treasury organization, and organization change (from Financial Management Service (FMS) to Bureau of Fiscal Service (the Fiscal Service) and additional details under Treasury collection services; and Treasury Internal Revenue Service (IRS) for reporting debt cancellations and mortgage interest payment; Routine Use (3) updated to specify the Department's Single Family Program Development CAIVRS SORN agencies that use the program data offered by the CAIVRS matching program; and Routine Use (15) was updated to clarify disclosures made to the Department of Justice or other Federal agencies conducting litigation before any court, adjudicative, or administrative body.

#### *Removed Routine Use:*

Routine Use (2) removed disclosure made to Administrative Law Judge conducting an administrative proceeding, where HUD is a party, and to the interested parties to the extent necessary for conducting the proceeding, cited in prior SORN, since its presence for disclosures will be addressed by new RU 15; and Routine Use (8) removed disclosure made

to Third-party debt purchasers', cited in prior SORN, since HUD no longer administers the sale and transfer of delinquent debts to Third parties.

In the past, Routine Uses (2), (5), (6), (11), (13), (14), (15) were based on routine uses previously applied through HUD's 2015 Routine Use Inventory publication, these routine uses are now reorganized, incorporated, and updated as part of this system of records.

Records Retention and Disposition: Updated this section to describe current retention and disposal requirements.

Removed routine use exceptions Crediting Reporting Bureaus and General Accounting Office.

Policy and Practice for Retrieval of Records: Updated to include minor changes and format –Reformatted the retrieval statement for borrowers' records retrieved. Added existing retrieval practice for system users' records retrieved.

**SYSTEM NAME AND NUMBER:** Debt Collection and Asset Management System (DCAMS), which consists of two sister systems Title I and Generic Debt, HUD/HOU-55.

**SECURITY CLASSIFICATION:** Unclassified.

**SYSTEM LOCATION:** HUD's Albany Financial Operations Center, 52 Corporate Circle, Albany, New York 12203; Pittsfield Federal Records Center, 10 Conte Drive, Pittsfield, MA 01201, National Center for Critical Information Processing and Storage, 9325 Cypress Loop Road, Stennis, MS 39629; and 250 Burlington Drive, Clarksville, VA 23927; and at HUD Headquarters Building, 451 Seventh Street SW, Washington, DC 20410-10001.

**SYSTEM MANAGER(S):** Michael DeMarco, Director, HUD, Albany Financial Operations Center, 52 Corporate Circle, Albany, New York 12203, telephone number 518-862-2859.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM:**

5 U.S.C. 5514 and 31 U.S.C. 3701 et seq.), which includes provisions of the Federal Claims Collection Act of 1966 (Pub. L. 89-508); Debt Collection Act of 1982 (Pub. L. 97-365); Debt

Collection Improvement Act of 1996 (Pub. L. 104-134), as amended; 31 C.F.R. 285, 24 C.F.R. Part 17, Subpart C; Federal Claims Collection Standards, codified at 31 C.F.R. parts 900 through 904; 12 U.S.C. 1703(c) authorizes the collection, compromise, and sale of debt obligations to HUD in connection with the payment of FHA Title I loans; 12 U.S.C 1710(g) authorizes collection, compromise, and sale of debt obligations in connection the payment of FHA Title II loans; The Housing Community and Development Act of 1987 (Pub. L. 100-242, title I, 165, Feb. 5, 1988, 101 Stat. 1864), which is codified at 42 U.S.C. 3543(a); 24 C.F.R Part 5, Subpart B. The Housing Community and Development Act of 1987 (Pub. L. 100-242, title I, 165, Feb. 5, 1988, 101 Stat. 1864), which is codified at 42 U.S.C. 3543(a), authorizes the Secretary of HUD to collect Social Security Numbers from program participants. 24 C.F.R Part 5, Subpart B implements HUD's policies for implementing its authorities to collect Social Security Numbers.

**PURPOSES(S) OF THE SYSTEM:** The primary purpose of DCAMS is to collect and maintain data needed to support activities related to the collection and servicing of various HUD/FHA debts. Debt collection and servicing activities include sending both automated and manually generated correspondence; making official phone calls; reporting consumer data to the credit bureaus, supporting collection initiatives, such as wage garnishment, offset of federal payments, pursuit of judgments, and foreclosure; and supporting defensive litigation related to foreclosure and actions to quiet title.

**CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:** (1) Borrowers/Co-borrowers who have debts resulting from default on their HUD/FHA-insured Title I and Title II loans; (2) Individual business partners including business who have debts resulting from their participation as loan originators, loan servicers, underwriters, real estate brokers, appraisers, and property managers in HUD/FHA's Single Family (Title I and Title II) and Multifamily loan programs; and (3) HUD employees and contractor support staff involved in the debt collection activities supported by the system.

**CATEGORIES OF RECORDS IN THE SYSTEM:** Full Name, Date of Birth, Address (property and work), Social Security Numbers, Tax Identification Number, Phone Numbers (work, personal, business); Marital Status, Payment and Salary Information, Employment Status History Information, Financial Account Data including Loan Origination Information and Documentation, Bankruptcy Documents including Case Number, Promissory Notes, Mortgages, Civil and Criminal Judgements, Liens Information, Histories, Foreclosure Documents, Judicial Decisions and Orders, Collection and Account Statuses, Account Number (also known as case or claim number).

**RECORD SOURCE CATEGORIES:** Federal, state, and local agencies, public records, credit reporting agency reports, FHA-approved business entities, and civil and criminal courts. Electronic and Manual data entries and uploads by HUD personnel and contractors based on data maintained or exchanged from the following internal and external systems:

- Housing, Office of Finance and Budget: F72 - Title I Insurance and Claims System (TIIS) - Electronic-Manual Entry, A43C - Single Family Insurance System - Claims (CLAIMS), and A80S - Single Family Asset Management System (SAMS) - Manual Entry.
- Office of Chief Information Officer: P299 - HUD PAY.GOV Common Services (HPCS) - Electronic-Manual Entry.
- Housing, Office of Single Family Housing: A80H - Single Family Mortgage Asset Recovery System (SMART) – Manual Entry, D64A - Single Family Housing Enterprise Data Warehouse (SFHEDW) - Manual Entry.
- Department of the Treasury, Bureau of the Fiscal Service: Lockbox Network Systems, Intra-Governmental Payment and Collection, Cross Servicing, and Treasury Offset Program - Electronic-Manual entry.
- United States Courts: Public Access to Court Electronic Records - Manual entry.

**ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND PURPOSES OF SUCH USES:**

(1) To the National Archives and Records Administration, Office of Government Information Services (OGIS), to the extent to fulfill its responsibilities in 5 U.S.C. 552(h), to review administrative agency policies, procedures, and compliance with the Freedom of Information Act (FOIA), and to facilitate OGIS's offering of mediation service to resolve disputes between persons making FOIA requests and administrative agencies.

(2) To a Congressional Office from the record of an individual, in response to an inquiry from the congressional office made at the request of that individual.

(3) To Federal, State, and local agencies, their employees, and agents for the purpose of conducting computer matching programs as regulated by the Privacy Act of 1974, as amended (5 U.S.C. 552a). Records from this system of records are shared with the Department of Education, Veterans Administration, Department of Justice, Department of Agriculture, and Small Business Administration, from Credit Alert reporting (CAIVRS), which is a HUD-sponsored database that makes a federal debtor's delinquency and claim information available to federal lending and assistance agencies and private lenders who issue federally insured or guaranteed loans for the purpose of evaluating a loan applicant's creditworthiness.

(4) To Federal agencies, non-Federal entities, their employees, and agents (including contractors, their agents or employees; employees or contractors of the agents or designated agents); or contractors, their employees or agents with whom HUD has a contract, service agreement, grant, cooperative agreement, or computer matching agreement for: (1) Detection, prevention, and recovery of improper payments; (2) detection and prevention of fraud, waste, and abuse in major Federal programs administered by a Federal agency or non-Federal entity; (3) detection of fraud, waste, and abuse by individuals in their operations and programs, but only if the information shared is necessary and relevant to verify pre-award and prepayment requirements before the



release of Federal funds, prevent and recover improper payments for services rendered under programs of HUD or of those Federal agencies and non-Federal entities to which HUD provides information under this routine use.

(5) To contractors, grantees, experts, consultants, Federal agencies, and non-Federal entities, including, but not limited to, State and local governments and other research institutions or their parties, and entities and their agents with whom HUD has a contract, service agreement, grant, cooperative agreement, or other agreement, for the purposes of statistical analysis and research in support of program operations, management, performance monitoring, evaluation, risk management, and policy development, or to otherwise support the Department's mission.

Records under this routine use may not be used in whole or in part to make decisions that affect the rights, benefits, or privileges of specific individuals. The results of the matched information may not be disclosed in identifiable form.

(6) To contractors, grantees, experts, consultants and their agents, or others performing or working under a contract, service, grant, or cooperative agreement, or other agreement with HUD, when necessary to accomplish an agency function related to a system of records.

Disclosure requirements are limited to only those data elements considered relevant to accomplishing an agency function.

(X)

(7) To the Department of Treasury, Bureau of Fiscal Service, who provides debt and cash collection services for HUD as follows:

(1) Administrative Offset (Debt Collection): offsets Federal tax refund payments and non-tax payments certified for disbursement to the debtor to recover a delinquent debt.

(2) Cross-servicing (Debt Collection): pursues recovery of delinquent debts on behalf of Federal agencies using debt collection tools authorized by statute, such as private collection agencies, administrative wage garnishment, or public dissemination of an individual's delinquent indebtedness; or any other legitimate debt collection purpose.

- (8) To the Department of Treasury, Internal Revenue Services (IRS) for the purposes of reporting canceled debt on form IRS 1099-C and mortgage interest paid on form IRS 1098.
- (9) To defaulted borrowers' employers to when issuing an order to garnish the wages of the defaulted borrower.
- (10) To appropriate federal, state, local, tribal, or foreign governmental agencies or multilateral governmental organizations, with the approval of the Chief Privacy Officer, when HUD is aware of a need to use relevant data for purposes of testing new technology.
- (11) To another Federal agency or Federal entity when HUD determines that information from this system of records is reasonably necessary to assist the recipient agency or entity in (1) responding to a suspected or confirmed breach or (2) preventing, minimizing, or remedying the risk of harm to individuals, the recipient agency or entity (including its information systems, programs, and operations), the Federal Government, or national security, resulting from a suspected or confirmed breach.
- (12) To appropriate agencies, entities, and persons when (1) HUD suspects or has confirmed that there has been a breach of the system of records; (2) HUD has determined that as a result of the suspected or confirmed breach there is a risk of harm to individuals, HUD (including its information systems, programs, and operations), the Federal Government, or national security; and (3) the disclosure made to such agencies, entities, and persons is reasonably necessary to assist in connection with HUD's efforts to respond to the suspected or confirmed breach or to prevent, minimize, or remedy such harm.
- (13) To appropriate Federal, State, local, tribal, or other governmental agencies or multilateral governmental organizations responsible for investigating or prosecuting the violations of, or for enforcing or implementing, a statute, rule, regulation, order, or license, where HUD determines that the information would assist in the enforce civil or criminal laws, when such records, either alone or in conjunction with other information, indicate a violation or potential violation of law.

(14) To a court, magistrate, administrative tribunal, or arbitrator in the course of presenting evidence, including disclosures to opposing counsel or witnesses in the course of civil discovery, litigation, mediation, or settlement negotiations; or in connection with criminal law proceedings; when HUD determines that use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where HUD has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

(15) To any component of the Department of Justice or other Federal agency conducting litigation or in proceedings before any court, adjudicative, or administrative body, when HUD determines that the use of such records is relevant and necessary to the litigation and when any of the following is a party to the litigation or have an interest in such litigation: (1) HUD, or any component thereof; or (2) any HUD employee in his or her official capacity; or (3) any HUD employee in his or her individual capacity where the Department of Justice or agency conducting the litigation has agreed to represent the employee; or (4) the United States, or any agency thereof, where HUD determines that litigation is likely to affect HUD or any of its components.

#### **POLICIES AND PRACTICES FOR STORAGE OF RECORDS:**

Paper and Electronic.

**POLICIES AND PRACTICES FOR RETRIEVAL OF RECORDS:** Records are retrieved primarily by Social Security Number, Name, Address.

#### **POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:**

Records in this system are retained and disposed of in accordance with the National Archives and Records Administration, General Records Schedule 1.1, Financial Management and Reporting Records; GRS 3.1, Information Technology Development Records; GRS 3.2, Information Security Records; and 5.2, Transitory and Intermediary Records. General records are

maintained for periods of 1-6 years unless a longer retention period is deemed necessary for investigative purposes or business use. Electronic and paper records will be destroyed in accordance with systems disposal and NIST 800-88 Guidelines. If necessary, paper records are destroyed by burning, and electronic and media records are destroyed in accordance with NIST Special Publication 800-88, Guidelines for Media Sanitization. 4.2 Information Access and Protection Records to SORN "Policy and Practices for Retention and Disposal

**ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS:** Administrative Controls: Data backups secured off-site; access granted only to authorized personnel; periodic security audits; regular monitoring of users' security practices. Access to PII is limited to individuals who have undergone pre-employment screening and who have a demonstrated need for access. Role-based security controls are assessed annually. The system accounts of users with access to PII are reviewed quarterly and re-certified annually.

Physical Controls: Key card, controlled access, security guards, and identification badges. The data center employs six layers of around-the-clock physical security: buffer zone, perimeter fencing, armed security at all gates, roving armed guards, armed guards on data center floor space, and an access control system. The Financial Operations Center in Albany, New York employs three layers of physical security: locked entrances to facility, locked file room for storing paper records, and an access control system.

Technical Controls: Biometrics, firewalls, role-based access controls, virtual private network, use of privileged account (Elevated Roles), external certificate authority certificates, Personal Identity Verification (PIV) cards, and intrusion detection system. Directory-based identity-related services authenticate and authorize users accessing HUD's internal network. Security services employ system entry validation, individual accountability, and resource access control to authenticate and authorize users accessing the system.

**RECORD ACCESS PROCEDURES:**

Individuals seeking to determine whether this System of Records contains information on themselves should address written inquiries to the Department of Housing Urban and Development 451 7<sup>th</sup> Street, SW Washington, DC. For verification, individuals should provide full name, current address, and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 28 U.S.C. 1746, in the following format:

If executed outside the United States: “I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on (date). (Signature).” If executed within the United States, its territories, possessions, or commonwealths: “I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature).” More information regarding HUD’S procedures for accessing records in accordance with the Privacy Act can be found at 28 CFR part 16 Subpart D, ‘Protection of Privacy and Access to Individual Records Under the Privacy Act of 1974.’

#### **CONTESTING RECORD PROCEDURES:**

Individuals seeking to contest or amend records maintained in this system of records must direct their requests to the address indicated in the “RECORD ACCESS PROCEDURES” paragraph, above. All requests to contest or amend records must be in writing and the envelope and letter should be clearly marked “Privacy Act Amendment Request.” All requests must state clearly and concisely what record is being contested, the reasons for contesting it, and the proposed amendment to the record. More information regarding HUD’s procedures for amending or contesting records in accordance with the Privacy Act can be found at 28 CFR 16.46, “Requests for Amendment or Correction of Records.

#### **NOTIFICATION PROCEDURES:**

Individuals seeking to determine whether information about themselves is contained in this system should address written inquiries to the Department of Housing Urban Development Chief Financial Officer, 451 7<sup>th</sup> Street SW, Washington, DC 20410-0001. For verification, individuals

should provide full name, office or organization where assigned, if applicable, and current address and telephone number. In addition, the requester must provide either a notarized statement or an unsworn declaration made under 28 U.S.C. 1746, in the following format:

If executed outside the United States: “I declare (or certify, verify, or state) under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on (date). (Signature).”

If executed within the United States, its territories, possessions, or commonwealths: “I declare (or certify, verify, or state) under penalty of perjury that the foregoing is true and correct. Executed on (date). (Signature).”

**EXEMPTIONS PROMULGATED FOR THE SYSTEM:** None.

**HISTORY:**

HUD/HS-55: DCAMS 72 63919 (November 13, 2007)

HUD/HS-55: DCAMS 72 FR-69703 (December 10, 2007)

**LaDonne White,**

*Chief Privacy Officer,*

*Office of Administration.*

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